blacknewsdigest

NEWS
from the
UNITED STATES
DEPARTMENT OF LABOR
Office of Information
Publications and Reports
Washington, D.C.
20210

BLACK NEWS DIGEST

WEEK OF OCTOBER 3, 1977

IN THIS ISSUE:

ADMINISTRATION SUPPORTS AMENDMENT RAISING MINIMUM WAGE TO $3.40 BY 1981; OPPOSES YOUTH SUBMINIMUM

SECRETARY MARSHALL CITES IMPORTANCE OF JOBS COMPONENT OF WELFARE REFORM

APPRENTICESHIP-SCHOOL LINKAGE PROJECT TO GET $2.5 MILLION FROM U.S. LABOR DEPARTMENT

2.2 MILLION MINORITY MOTHERS IN WORK FORCE, REPORT SHOWS

DR. ISABEL SAWHILL NAMED DIRECTOR OF NATIONAL MANPOWER COMMISSION

OSHA AMENDS RULES ON EMPLOYEE TIME SPENT ON INSPECTION 'WALKAROUND'

LONG HOURS AND PREMIUM PAY: MAY 1977

THE CONSUMER PRICE INDEX--AUGUST 1977

REAL EARNINGS: AUGUST 1977

FILLERS FROM THE U.S. DEPARTMENT OF LABOR

ADMINISTRATION SUPPORTS AMENDMENT RAISING MINIMUM WAGE TO $3.40 BY 1981; OPPOSES YOUTH SUBMINIMUM

WASHINGTON -- The Carter Administration has announced its support for a Senate measure to raise the federal minimum wage to $2.65 on Jan.1, 1978, and increase it 25 cents a year thereafter to $3.40 an hour in 1981.

The Administration's support of the amendment by Senators Jacob K. Javits of New York and Harrison A. Williams of New Jersey was announced by Secretary of Labor Ray Marshall.

Marshall said the step increases would replace an indexing formula proposed earlier.

In addition, Marshall re-emphasized the Administration's opposition to any subminimum wage for youths.

"We believe," Marshall said, "that the way to handle the serious problem of teenage unemployment is through positive programs like the new $1 billion youth bill, not through negative actions such as treating teenagers differently from other workers."

Marshall said he was concerned that a youth differential would "set a dangerous precedent," paving the way for substandard wages for other groups, such as blacks and other minorities and women.

"The principle of equal pay for equal work is an important one," Marshall said. "It is central to many of the issues that civil rights and women's groups have been raising for years.

"A separate youth subminimum would represent a dangerous erosion of this important principle which is at the focus of the battle for equal employment opportunity."

Marshall warned that a youth subminimum could result in higher unemployment among low-income adults with families to support, who compete with young people in what economists call the irregular or casual labor market.

(more)

He called it unlikely that a youth subminimum would have an impact on unemployment among black and other minority teenagers, as many of them live in inner-city neighborhoods where jobs are scarce.

Marshall also expressed his concern about two other "possible provisions" of a minimum wage bill:

-- Tip credit for tipped employees.

-- Reduction in the number of workers covered.

He said the Administration continues to oppose tip credit for tipped employees, as well as any reduction in the number of workers covered by the minimum wage.

# # #

SECRETARY MARSHALL CITES IMPORTANCE
OF JOBS COMPONENT OF WELFARE REFORM

WASHINGTON -- Secretary of Labor Ray Marshall has called the employment opportunities portion of welfare reform "an important part of our overall employment strategy."

In a prepared statement concerning the Administration's welfare reform proposals and how these fit into the context of reducing unemployment, Marshall said.

"The employment opportunities portion of welfare reform should be seen as an important part of our overall employment strategy."

He said there was agreement on the importance of solving the youth employment problem, on dealing with the high unemployment rates in core cities and rural areas, and on the need for continuing older worker programs.

"Of equal importance," Marshall added, "is the need to provide jobs for breadwinners--the focus of the job opportunities component of welfare reform."

In citing the importance of employment for heads of households, Marshall stressed that this was not the last, nor the only step in the Administration's employment policies.

Title II of the welfare reform proposal is written as an amendment to the Comprehensive Employment and Training Act (CETA), which expires at the end of the 1978 fiscal year -- at which time reauthorization for this legislation would be sought.

Marshall noted that by instituting a transitional program in fiscal 1979, there would be three years in which to build up to the 1.4 million "slots," or openings, it is anticipated will be needed when the cash-assistance system is fully implemented.

He pointed out that public service jobs under Title VI of CETA primarily provided work for persons who lost their jobs during the recession.

(more)

Most had substantial work experience and were placed in jobs paying higher wages than those proposed under welfare reform, Marshall said.

Under welfare reform, the average wage rate would be substantially higher than the present federal minimum wage. And, state wage supplements will be paid in those 39 states that are expected to supplement cash assistance benefits, according to Marshall.

If the Administration's minimum wage proposals are accepted, he said, the base wage for welfare reform jobs in 1981 would be $3.71, which is higher than that currently paid in more than 60 percent of all CETA jobs.

Marshall also noted that many of the jobs created under welfare reform would involve a training component so that relatively low wages would be appropriate, even for a job requiring a somewhat higher skill level.

Under welfare reform, wages of most workers would also be supplemented by cash assistance adjusted for family size, so that income would be equal to or greater than that currently provided by CETA.

Marshall emphasized that the Administration has several other programs to help eliminate obstacles to full employment:

He cited the Administration's commitment to vigorous enforcement of civil rights statutes, as well as:

-- Using affirmative action to ensure equal employment opportunity to those who have been victims of discrimination.

-- The need to reduce the flow of undocumented aliens so that jobs will go to American workers.

-- A program being prepared to strengthen trade adjustment assistance for American workers who lose their jobs because of foreign import competition.

(more)

-- An urban and rural policy being considered by the Administration "to make sure that the entire country shares the fruits of economic recovery."

Marshall emphasized that the Administration is "sensitive" to the employment problems of older workers and "supports the Older Americans Act the the Green Thumb program and believes that these programs are making a valuable contribution."

# # # #

APPRENTICESHIP-SCHOOL LINKAGE PROJECTS
TO GET $2.5 MILLION FROM U.S. LABOR DEPARTMENT

WASHINGTON -- About 1,100 high school students will be placed in apprenticeships under a program to be carried out in Cleveland, Houston, Nashville and New Orleans, Secretary of Labor Ray Marshall announced.

Nearly $2.5 million has been allocated to organizations in the four cities for the experimental projects which seek to help students bridge the gap between school and the world of work through the apprenticeship system.

The program is part of the initiatives launched this year by the Bureau of Apprenticeship and Training (BAT) of the department's Employment and Training Administration to broaden and to expand the impact of the system on labor, management, participants and prospective apprentices.

A major objective of the projects is to provide a continuity of educational work experience for vocational education students through increased awareness of the advantages of and involvement of more employers in registered apprenticeship programs.

A further objective is to offer interested students more information about entering apprenticeship system, and to help them obtain full time employment as an apprentice upon completion of high school.

Secretary Marshall said that the preparation for students would begin in their early secondary school years with an introduction to the various occupational fields that are available. This will allow ample time for students to select possible career areas and begin directing their course of studies in that direction.

Beginning in the 11th grade, students will receive actual "hands on" work instruction with the basic tools of their selected trade. This will give counselors and apprenticeship sponsors an opportunity to determine potential participants for the programs.

During their final year, selected youths, 16 years and older, will be registered as student/apprentices and assigned to an employer or joint apprenticeship council for training. Participants will receive approximately 20 hours per week of on-the-job training in their selected occupational fields. They will receive at least the minimum wage during the OJT periods. Upon completion of the program, they enter a full-time apprenticeship program starting at a wage of a least 50 percent of that paid to a fully qualified journeyman.

BAT will be responsible for monitoring the programs, for the federal government, and for registration of the participants.

# # #

Week of October 3, 1977

2.2 MILLION MINORITY MOTHERS
IN WORK FORCE, REPORT SHOWS

WASHINGTON -- About 2.2 million minority mothers were in the work force in March 1976, according to a report, "Working Mothers and Their Children," published by the U.S. Department of Labor's Women's Bureau.

This represents 44 percent of all minority women workers and 58 percent of minority mothers in the population, the report states.

The report also shows that about half (49 percent) of all mothers with children under 18 years of age were in the Nation's labor force in March 1976. Their rate of participation surpassed the 47 percent rate of all women, and was over five times the 9 percent rate of mothers in 1940.

Of the nearly 38 million women workers in 1976, 14.6 million were mothers. About 5.4 million had children under age 6.

"Most mothers work outside the home because they need the earnings for themselves and their families," Women's Bureau Director Alexis M. Herman commented. "And with the dramatic increase in the number of working mothers, especially those with children under 6 years old, lower cost and more readily available child care facilities are critically needed."

The 28.2 million children of working mothers accounted for 46 percent of all children under age 18. The publication states that over 16 million children 3 to 13 years old had working mothers in 1975, but only 1.7 percent were enrolled in group care centers.

The publication includes statistical information on unemployment rates, work experience, and the occupational distribution of working mothers.

Single copies may be obtained free from the Women's Bureau, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. Copies are also available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at $1.00 each.

# # #

Week of October 3, 1977

DR. ISABEL SAWHILL NAMED DIRECTOR
OF NATIONAL MANPOWER COMMISSION

WASHINGTON -- Dr. Isabel V. Sawhill, an economist specializing in the functioning of labor markets and their effort on minorities and women, has been named director of the National Commission for Manpower Policy.

Dr. Sawhill becomes the commission's second director since its creation in 1974, succeeding Robert T. Hall who earlier this year was nominated by President Carter as assistant secretary of commerce for the Economic Development Administration.

The commission was established by Title V of the Comprehensive Employment and Training Act (CETA) of 1973. It advises the Congress, the President, the secretary of labor, and other federal agency heads on national issues related to employment and job training.

The commission is chaired by Dr. Eli Ginzberg, a professor of economics at Columbia University. Members of the commission include five cabinet members (the secretaries of Defense, Agriculture, Commerce, Labor, and Health, Education, and Welfare), the administrator of veterans affairs, and 11 public members.

Dr. Sawhill previously was at the Urban Institute, Washington, D.C., where she was the principal research associate and director of the program of research on women and family policy. She had been with the Institute since 1973.

From 1969 to 1973 she was a faculty member of Goucher college, culminating in her chairing the college's department of economics. Between 1969 and 1971 she was a consultant to the Office of Management and Budget's evaluation division. Between 1968 and 1969 she was a policy analyst for the U.S. Department of Health, Education and Welfare, and in 1968 she was an instructor at Howard University.

Dr. Sawhill has done major work in the areas of income security and human resources, and has lectured and written extensively on the effects of discrimination on employment and earnings

(More)

Week of October 3, 1977

OSHA AMENDS RULES ON EMPLOYEE TIME
SPENT ON INSPECTION "WALKAROUND"

WASHINGTON -- An amendment to the regulations of the U.S. Labor Department's Occupational Safety and Health Administration (OSHA) sets forth a new interpretation that an employer's failure to compensate employees for time spent taking part in a job safety and health walkaround inspection constitutes discriminatory action.

Under the OSHA rules, the agency will take to court such allegations of discriminatory action against employees for exercising their rights under the 1970 job safety and health law.

The publication of the amendment, reflects the interpretation first announced by Assistant Secretary of Labor Dr. Eula Bingham on Aug. 10 in a speech before the 14th Biennial Convention of the Oil, Chemical and Atomic Workers Union in Los Angeles.

In the amendment notice, Dr. Bingham notes that employers' refusal to pay employees for time spent during the walkaround phase of OSHA workplace inspections has a twofold impact: "...it is inherently destructive of the employees' right to participate in the walkaround and, consequently, impedes the free flow of information between employees and representatives of the Secretary (of labor) which is so critical to effective enforcement of the Act..."

"When employees are discouraged from present and future participation in the walkaround, the open channels of communication between employees and the Secretary are seriously impaired," Dr. Bingham continued. "OSHA compliance personnel would be substantially limited to reliance on information provided by employers - the subject of the investigation - thereby reducing the likelihood of obtaining complete objective and useful information on workplace hazards."

Dr. Bingham also noted that the interpretation that refusal to pay employees for walkaround time is discriminatory is reinforced by the current Department of Labor interpretation that time thus spent by employees constitutes "work time" or

(More)

"hours worked" under the Fair Labor Standards Act. The department's view is that such activity is analagous to other activities considered as hours worked such as time spent for coffee breaks, adjusting grievances, waiting for and receving medical attention, working for public and charitable purposes and developing suggestions.

This interpretation was effective on Aug. 10, 1977, when the public announcement, which received wide publicity, was made. However, the interpretation became effective on Sept. 20, 1977, for any employer who did not receive notice of the interpretation prior to that date.

# # #

Week of October 3, 1977

LONG HOURS AND PREMIUM PAY: MAY 1977

WASHINGTON -- The number of wage and salary employees working more than the standard 40-hour week increased by 1.5 million during the past year, according to the U.S. Labor Department's Bureau of Labor Statistics.

About 18.2 million persons worked longer than the standard workweek during the week ended May 14, 1977, 9 percent more than a year earlier. Year-to-year increases were evident for workers in both goods-producing and service-producing industries.

Workers putting in 41 hours or more comprised 27.4 percent of all full-time wage and salary workers in May 1977. Although this proportion was higher than in the 2 preceding years, its was still below the 29.1 percent recorded for May 1973.

Among the major occupational groups, the proportions of employees who worked 41 hours or more in May 1977 ranged from 45.5 percent for managers and administrators and 40.0 percent for transport equipment operatives to 13.2 percent for clerical workers. Men were more than twice as likely as women, and whites were more likely than blacks, to have worked 41 hours or more.

Among the employees who worked 41 hours or more in May 1977, those who worked the most hours were more likely to report that they routinely exceeded the standard workweek. For example, of nearly 4 million who worked 60 hours or more a week, almost seven-eighths were reported as usually working more than a 40-hour week.

Of all employees working long hours in May 1977, 42.4 percent reported that they received premium pay, up from 39.7 percent in May 1976. Among nonfarm occupations, the proportion receiving premium pay ranged from 83.5 percent for factory operatives to 12.1 percent for managers and administrators. Among farm employees, who are exempt from the overtime pay provisions of the Fair Labor Standards Act (FLSA), 8.5 percent reported that they received premium pay for long hours.

(More)

Employees who reported that they only occasionally worked more than 40 hours a week were twice as likely to be paid a premium for their overtime as those who usually worked more hours. Likewise, workers employed under a union contract were twice as likely to receive premium pay for long hours as other workers.

The median usual weekly earnings of all workers who reported 41 or more hours were $247, compared with a median of $212 for all full-time workers. For those who usually worked 41 hours or more a week, the median was $261. The median weekly earnings of workers who did not receive premium pay for their extra hours was higher than that of workers receiving premium pay ($263 vs. $232). This is because many of the workers not receiving premium pay for their long hours are in highly paid jobs, particularly in the managerial field, where they are not subject to collective bargaining or to the overtime provisions of the FLSA.

# # #

Week of October 3, 1977

THE CONSUMER PRICE INDEX--AUGUST 1977

WASHINGTON -- The Consumer Price Index rose 0.4 percent in August before seasonal adjustment to 183.3 (1967=100), the U.S. Department of Labor's Bureau of Labor Statistics reported. The August CPI was 6.6 percent higher than in August 1976.

On a seasonally adjusted basis, the CPI rose 0.3 percent in August, following an increase of 0.4 percent in July. The rise in the CPI in August and July was noticeably slower than in the first 6 months of this year when monthly increases averaged 0.7 percent.

Food prices rose slightly for the second consecutive month--0.3 percent in August and 0.1 percent in July. Prices for commodities other than food also rose 0.3 percent in August, continuing the moderate trend evident since February.

In August, the services index increased 0.5 percent, compared with the average monthly increase of 0.8 percent recorded in the preceding 7 months.

The index for food purchased in grocery stores rose 0.2 percent after seasonal adjustment in August, following a slight decline in July. Prices for dairy products, cereal and bakery products, processed fruits and vegetables, and fats and oil products moved up in August, but the increases were generally smaller than in recent months.

Beef prices declined for the fourth consecutive month. Prices also declined for pork, poultry, eggs, sugar, and ground coffee. Prices for fresh fruits and vegetables, however, turned up in August after declining sharply in the preceding 3 months. The index for food away from home--restaurant meals and snacks--increased 0.5 percent in August, about the same as in July and less than the monthly increases earlier this year.

The index for commodities other than food rose 0.3 percent in August after seasonal adjustment, the third consecutive month of relatively small increases. Prices of some commodities increased more in August than in July, but used car prices continued to decline. The increase of 0.7 percent in apparel prices in August was larger than in

(More)

recent months. The fuel oil and coal index increased 0.9 percent after seasonal adjustment; this was more than in July and about the same as the monthly increase this spring.

The new car index rose 0.6 percent after seasonal adjustment in August, compared with increases of 0.2 percent in July and June. The index for gasoline and motor oil, which declined in June and July, showed an 0.2 percent increase after seasonal adjustment in August. The used car index, however, declined 2.4 percent in August--the fourth consecutive month of large declines. Prices of alcoholic beverages also declined in August.

In the services component, charges for household services other than rent increased 0.5 percent in August, compared with 1.2 percent in July and 1.0 percent in June. This slowdown was primarily due to a decline in the index for mortgage interest rates in August after seasonal adjustment--the first decline this year; also, the increase of 1.0 percent in the index for gas and electricity was somewhat smaller than in July or June. The rent index rose 0.5 percent in August, about the same as in recent months. Charges for transportation services also rose 0.5 percent in August, and medical care services rose 0.6 percent, both about the same as in July and less than most monthly increases this past spring and winter.

# # #

REAL EARNINGS IN AUGUST 1977

WASHINGTON -- Real earnings of full- and part-time workers in production or nonsupervisory jobs in the private nonfarm sector of the economy decreased from July to August, the U.S. Labor Department's Bureau of Labor Statistics reported.

(Real earnings--or earnings in constant dollars--are calculated by adjusting earnings in current dollars for changes in the Consumer Price Index. The August figures are preliminary ones.)

Real gross average weekly earnings decreased 0.6 percent from July to August after allowance for the usual seasonal variation. This decrease was due to a 0.3 percent increase in the Consumer Price Index combined with a 0.3 percent decrease in average weekly hours. Average hourly earnings were unchanged.

Over the year, real average weekly earnings were down 0.2 percent. Average weekly hours decreased 0.5 percent and the Consumer Price Index rose 6.6 percent, offsetting a 7.0 percent increase in average hourly earnings. (Before adjustment for the increase in the Consumer Price Index and seasonal change, average weekly earnings were $190.37 in August, compared with $178.97 a year earlier.

Real spendable earnings--average real weekly pay for all workers reduced by Social Security and Federal income tax rates applicable to a married worker with three dependents who earned the average amount--decreased 0.6 percent from the July level, seasonally adjusted. This decrease was due to the 0.6 percent decline in the real gross average weekly earnings.

Over the year, real spendable earnings increased 2.8 percent. This increase was primarily due to the change in the standard deduction resulting from the Tax Reduction and Simplification Act of 1977 which became effective June 1, 1977.

The Hourly Earnings Index in dollars of constant purchasing power decreased 0.2 percent from July. Compared with a year ago, the index was unchanged. The index excludes the effects of overtime in manufacturing and of interindustry shifts, such as the shift of workers between high-wage and low-wage industries.

* * *

FILLERS FROM THE U.S. DEPARTMENT OF LABOR

The aim of the Farm Labor Contractor Registration Act is to improve working conditions for migrant farm workers. The Act is enforced by the U.S. Department of Labor.

* * *

The U.S. Department of Labor enforces the Federal Wage Garnishment Law which prohibits the firing of an employee because of garnishment for only one debt.

* * *

The U.S. Department of Labor reports that when there is a difference between federal and state garnishment laws, the provision that gives greater protection to the employee prevails.

* * *

The Davis-Bacon Act of 1931, enforced by the Labor Department's Wage and Hour Division, establishes prevailing minimum wage for workers on an estimated $40 billion of federally supported construction projects annually.

* * *